

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|------------------------------|---|---------------------|
| PURCHASED WATER ADJUSTMENT |) | |
| OF EAST DAVIESS COUNTY WATER |) | CASE NO. 2008-00241 |
| ASSOCIATION |) | |

ORDER

On June 30, 2008, East Daviess County Water Association ("East Daviess") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure authorized by KRS 278.012 and 807 KAR 5:068.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. East Daviess purchases water from Owensboro Municipal Utilities ("Owensboro").
2. Owensboro notified East Daviess that, effective with its June 1, 2008 billing, the wholesale rate to East Daviess would increase from \$1.25 per 1,000 gallons to \$1.36 per 1,000 gallons.
3. East Daviess proposed a purchased water adjustment factor of \$0.13 per 1,000 gallons.
4. During the 12 months ended May 2008, East Daviess purchased 315,964,000 gallons of water from Owensboro, and it sold 274,731,214 gallons. The increase in the cost of purchased water is \$34,756, resulting in a purchased water adjustment factor of \$0.13 per 1,000 gallons.

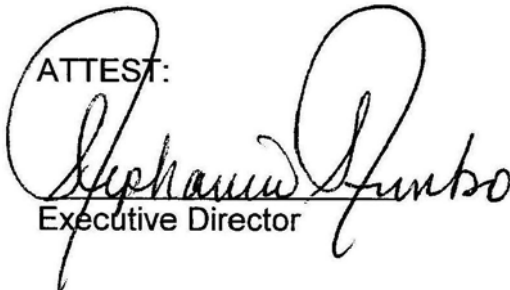
5. The purchased water adjustment factor of \$0.13 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by East Daviess are approved.
2. The purchased water adjustment factor of \$0.13 per 1,000 gallons as calculated in Appendix A is approved.
3. The rates in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services on or after July 29, 2008.
4. Within 20 days of the date of this Order, East Daviess shall file with the Commission revised tariff sheets showing the rates approved herein.

Done at Frankfort, Kentucky, this 23rd day of July, 2008.

By the Commission

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00241 DATED JULY 23, 2008

| | New Rate | Base Rate |
|-----------------------------------|--------------------------|----------------------|
| Owensboro | | |
| Purchases in gallons | 315,964,000 | 315,964,000 |
| Volumetric rate | <u>\$ 1.36 /1,000</u> | <u>\$ 1.25/1,000</u> |
| | \$429,711.04 | \$394,955.00 |
| Increased water cost | | \$ 34,756.00 |
| Increased water cost | \$34,756.00 | |
| Divided by gallons sold | <u>274,731,214</u> | |
| Purchased water adjustment factor | \$0.13 per 1,000 gallons | |

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00241 DATED JULY 23, 2008

The following rates and charges are prescribed for the customers in the area served by East Daviess County Water Association. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8" x 3/4" Meter

| | | | |
|-------|----------------|---------|-------------------|
| First | 2,000 gallons | \$14.35 | Minimum Bill |
| Next | 4,000 gallons | 4.85 | per 1,000 gallons |
| Next | 44,000 gallons | 3.90 | per 1,000 gallons |
| Over | 50,000 gallons | 3.20 | per 1,000 gallons |

3/4" Meter

| | | | |
|-------|----------------|---------|-------------------|
| First | 3,000 gallons | \$19.20 | Minimum Bill |
| Next | 3,000 gallons | 4.85 | per 1,000 gallons |
| Next | 44,000 gallons | 3.90 | per 1,000 gallons |
| Over | 50,000 gallons | 3.20 | per 1,000 gallons |

1" Meter

| | | | |
|-------|----------------|---------|-------------------|
| First | 6,000 gallons | \$33.75 | Minimum Bill |
| Next | 44,000 gallons | 3.90 | per 1,000 gallons |
| Over | 50,000 gallons | 3.20 | per 1,000 gallons |

1 1/2" Meter

| | | | |
|-------|----------------|---------|-------------------|
| First | 10,000 gallons | \$49.35 | Minimum Bill |
| Next | 40,000 gallons | 3.90 | per 1,000 gallons |
| Over | 50,000 gallons | 3.20 | per 1,000 gallons |

2" Meter

| | | | |
|-------|----------------|---------|-------------------|
| First | 20,000 gallons | \$88.35 | Minimum Bill |
| Next | 30,000 gallons | 3.90 | per 1,000 gallons |
| Over | 50,000 gallons | 3.20 | per 1,000 gallons |

LEAK ADJUSTMENT RATE: \$2.05 per 1,000 gallons

WHOLESALE WATER RATE:

Southeast Daviess Water District \$ 1.63 per 1,000 gallons